

## What's New?

### New Resources From the Center for Educator Compensation Reform and Round 3 Teacher Incentive Fund Winners Announced

#### New CECR Resources

The Center for Educator Compensation Reform (CECR) has posted materials from the fourth annual Teacher Incentive Fund (TIF) Grantee Meeting, including presentations from each session, on its website. CECR also will post video from the meeting when available. To download presentations, visit <http://cecr.ed.gov/news/annualMeetingAugust10.cfm>.

#### Round 3 Teacher Incentive Fund Winners

The U.S. Department of Education announced the Round 3 TIF winners on September 23, 2010. A list of the new grantees and short program descriptions are available at <http://www2.ed.gov/programs/teacherincentive/awards.html>. There are 62 new grantees; 50 received funding for the main TIF competition, and 12 received funding for the TIF evaluation program led by Mathematica Policy Research.

The 50 grantees under the main TIF program will have programs in the following 24 states:

- Texas (Seven programs)
- California (Seven programs)
- Florida (Six programs)
- New York (Three programs)
- Alabama, Arizona, Louisiana, Massachusetts, Missouri, Pennsylvania, Tennessee, and Virginia (Two programs per state)

- Arkansas, Colorado, Indiana, Maryland, Mississippi, Nevada, North Carolina, Oregon, South Carolina, Washington, and Wisconsin (One program per state)

The 12 grantees in the TIF evaluation program will have programs in the following 10 states:

- New York (Two programs)
- North Carolina (Two programs)
- Arizona, Colorado, Illinois, Louisiana, Michigan, Ohio, Oregon, and Texas (One program per state)

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# Hot Off the Press

## **Baltimore Teachers Union and District Leaders Return to Negotiating Table—**

*The Baltimore Sun*. October 15, 2010

<http://www.baltimoresun.com/news/maryland/baltimore-city/bs-md-ci-teacher-contract-alonso-20101015,0,3636384.story>

Last week, the Baltimore City teachers union voted to defeat a proposed contract, which would have eliminated the traditional salary schedule and instead paid teachers based on effectiveness ratings. The district and union officials plan to continue meeting and to develop a new contract proposal.

## **An Offer They Wouldn't Refuse: How One District Lured Top Principals to Rescue Its Failing Schools—**

*Newsweek*. October 12, 2010

<http://www.newsweek.com/2010/10/12/how-one-district-fixed-its-failing-schools.html>

Charlotte-Mecklenburg Schools implemented the Strategic Staffing Initiative (SSI) to attract the most effective principals to the most challenging schools. The SSI competition identified the most effective principals in the district, and winners of the award had the opportunity to turn around a failing school in the district in exchange for a 10 percent raise and more school autonomy. Early student achievement indicators from the schools show some increases in student proficiency on the state standardized tests.

## **CMS Pay Reform Underway—**

*The Charlotte Post*. October 6, 2010.

<http://www.thecharlottepost.com/index.php?src=news&srctype=detail&category=News&refno=3010>

This article details Charlotte-Mecklenburg Schools' role in the Bill & Melinda Gates Foundation's national study *Measuring Effective Teaching*.

## **Union Buy-In Varies Among Big TIF-Grant Winners—**

*Education Week*. October 6, 2010.

[http://www.edweek.org/ew/articles/2010/10/06/06tif\\_h30.html](http://www.edweek.org/ew/articles/2010/10/06/06tif_h30.html) (subscription required)

This article reviews 4 of the 62 TIF award winners announced in September 2010 and indicates that there are varying degrees of union buy-in for performance-based compensation programs. Local teachers unions have not agreed to programs in Chicago and New York City, whereas programs in Austin and Pittsburgh have demonstrated union support.

## **How to Fix Our Schools: A Manifesto by Joel Klein, Michelle Rhee, and Other Education Leaders—**

*The Washington Post*.

October 10, 2010.

<http://www.washingtonpost.com/wp-dyn/content/article/2010/10/07/AR2010100705078.html>

Some of the top school leaders in the United States, including the chancellor of schools in New York City and the former chancellor of schools in Washington, D.C., published an opinion piece in *The Washington Post* that says that creating a performance-driven education system is necessary for effective school reform. *The Washington Post* also published a response to the "manifesto" (<http://voices.washingtonpost.com/answer-sheet/guest-bloggers/the-reform-manifesto---point.html>).

# Feature Article

## You Asked... We Answered

At the annual TIF Grantee Meeting in August 2010, CECR surveyed participants to find out what additional information might be useful to highlight in the research syntheses. This feature article points readers to online resources that address some of the questions posed by meeting participants.

### What Other States and Districts Currently Implement Performance-Based Compensation Programs?

The CECR National Map (<http://cecr.ed.gov/map/>) includes profiles of state and district compensation reform efforts across the country. CECR staff updates the map profiles twice per year, in the spring and the fall, to include new performance-based compensation programs and updated information on existing programs. Each profile includes a description of the program, links to program resources, links to articles and reports about the program, and information on the local teachers union or collective bargaining information (when available).

### Are There Lessons to Learn About Performance-Based Compensation From Other Business Models?

In a review of research from the private sector, CECR developed a research synthesis ([http://cecr.ed.gov/researchSyntheses/Research%20Synthesis\\_Q%20A5.pdf](http://cecr.ed.gov/researchSyntheses/Research%20Synthesis_Q%20A5.pdf)) that addresses this question. There are a few key lessons learned from the business world:

- In the private sector, programs combine “needed core knowledge and competencies with pay practices” (p. 1).
- Private sector entities apply three main theories of motivation to incentive structures:
  - **Contingency Theory** states that “the more closely the incentive plan matches the overall vision of the organization, the more effective the plan is at motivating employees and increasing productivity” (p. 1).
  - **Goal-Setting Theory** states that “goals motivate employees when they are specific, challenging, accepted as worthwhile, and achievable” (p. 1).
  - **Expectancy Theory** states that employees respond well to incentive programs when:
    - “They believe they can accomplish the goal.
    - “They believe there is a clear connection between individual effort and receiving a reward.
    - “They value the reward enough to put forth the effort to achieve it” (p. 1).
- Evidence from the private sector indicates that incentive pay programs encourage improved performance at the individual and organizational levels.
- Although there are positive examples, school systems also can learn lessons from failed performance-based compensation programs in the private sector. Programs tended to fail when:
  - “They were not strategic and did not connect with the organizational mission and objectives.
  - “Managers were unwilling (or unable) to conduct employee appraisals required of such programs adequately.
  - “They were poorly designed.
  - “They were underfunded” (p. 3).
- Research from the private sector emphasizes the importance of strategic planning and implementation to ensure consistent execution.

## What Incentive Amount Is Most Effective?

Although research is still emerging in the field of performance-based compensation, CECR documented some initial research in a research synthesis ([http://cecr.ed.gov/researchSyntheses/Research%20Synthesis\\_Q%20C12.pdf](http://cecr.ed.gov/researchSyntheses/Research%20Synthesis_Q%20C12.pdf)) that answers this question. This review of the research indicates that there is no set definition for optimal bonus size. Based on economic theory and research from the private sector, education researchers extrapolate that the difference between short- and long-term incentives is important. In addition, if incentives are too small, they will fail to motivate employees to change their behavior. However, it will be difficult to sustain incentives that are too large.

Further, there is a small base of research that pinpoints effective amounts of incentives in specific research areas:

- Teachers may be more likely to respond to pay incentives when they perceive their job as more challenging. In addition, one study found that increases in pay reduced teacher attrition among African-American and Hispanic teachers. For additional information, see [http://cecr.ed.gov/researchSyntheses/Research%20Synthesis\\_Q%20B6.pdf](http://cecr.ed.gov/researchSyntheses/Research%20Synthesis_Q%20B6.pdf).
- Some research on mathematics and science teachers indicated that a relatively small bonus (\$1,800) correlated with a 12 percent reduction in teacher turnover. However, most researchers pinpoint incentives of closer to \$10,000 as more likely to affect teacher behaviors or attach teachers to STEM positions. For additional information, see [http://cecr.ed.gov/researchSyntheses/Research%20Synthesis\\_Q%20B7.pdf](http://cecr.ed.gov/researchSyntheses/Research%20Synthesis_Q%20B7.pdf).
- Research that focuses on teachers in hard-to-staff schools finds that low salaries and poor working conditions may be the most significant predictors of teacher turnover. One study found that an incentive of close to \$5,000 would be fair compensation for teachers who choose to stay in high-poverty, low-performing schools. However another study indicated that teacher pay needed to increase by at least 15 percent to reduce teacher attrition in one district. For additional information, see [http://cecr.ed.gov/researchSyntheses/Research%20Synthesis\\_Q%20B8.pdf](http://cecr.ed.gov/researchSyntheses/Research%20Synthesis_Q%20B8.pdf).

As the performance-based compensation field continues to evolve and researchers examine more programs, CECR plans to update the research syntheses. Until then, visit the CECR Online Library at <http://cecr.ed.gov/library/> for the most recent articles.

## External Presentations

The CECR Newsroom (<http://cecr.ed.gov/news/>) provides links to events and presentations from CECR staff out in the field, beyond the annual TIF Grantee Meeting (<http://cecr.ed.gov/news/events.cfm>). The CECR website also includes links to videos and audio presentations (<http://cecr.ed.gov/webcasts/>). Finally, for additional information from other organizations related to compensation reform, see <http://cecr.ed.gov/reformInAction/links.cfm>.

## *Contact Us*

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The Center for Educator Compensation Reform (CECR) was awarded to Westat — in partnership with Learning Point Associates, Synergy Enterprises Inc., Vanderbilt University, and the University of Wisconsin — by the U.S. Department of Education in October 2006.

The primary purpose of CECR is to support Teacher Incentive Fund (TIF) grantees in their implementation efforts through provision of sustained technical assistance and development and dissemination of timely resources. CECR also is charged with raising national awareness of alternative and effective strategies for educator compensation through a newsletter, a Web-based clearinghouse, and other outreach activities.

This work was originally produced in whole or in part by the Center for Educator Compensation Reform (CECR) with funds from the U.S. Department of Education under contract number ED-06-CO-0110. The content does not necessarily reflect the position or policy of CECR or the Department of Education, nor does mention or visual representation of trade names, commercial products, or organizations imply endorsement by CECR or the federal government.